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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

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MAR 25  
U. S. DEPT. OF AGRICULTURE

April 11, 1925.

F.S.  
A-10

FOREIGN NEWS ON APPLES

THE DISTRIBUTION OF AMERICAN APPLES THROUGH LIVERPOOL.

The last report issued under the head of "Foreign News on Apples", dated March 6, 1925, in part treated of the requirements in British markets generally, as to varieties, sizes, prices and market preferences. This report is a description of the methods of distributing apples through Liverpool. The Liverpool auction is similar in most respects to those at Glasgow, Manchester and Southampton but a number of points in which the auction at Glasgow differs from that at Liverpool will be brought out in a separate report to follow on Glasgow.

Liverpool arrivals of apples and oranges are heavier than those at any other British port. Fruit importations at Liverpool are handled by seven auction brokers who sell the fruit through two auction sales rooms in the new Fruit Exchange. Usually apples are sold in one room and oranges in the other, though when arrivals are light all sales are concentrated in one room. Buyers can step from one sale to the other and very easily buy lines of oranges and apples or other fruits on the same sale day. This arrangement gives Liverpool probably the best auction sale facilities in the world.

Handling Prior to Sale.

Stevedores start discharging immediately upon the ship's arrival in dock at Liverpool. When the apples are "over the side" the consignee removes the fruit from the ship's side and piles it on the quay. This is done by a Master Porter under rules and regulations of the Mersey Dock and Harbour Board. It is his duty to sort the goods according to consignee's mark, but not according to size, grade, variety, brand, etc., unless by special arrangement and at an additional charge. The Master Porter's charge for apples is 2d. (4¢) per box and 3 $\frac{1}{2}$ d. (6 $\frac{1}{2}$ ¢) per barrel.

Since the auction sales are conducted by brand, variety, grade, size and condition, it is necessary to sort and make returns on the count. This requires the consignee to have men on the quay at the time of unloading. The Liverpool broker, therefore, has a dock superintendent with foremen at each discharging ship, - the larger brokers have several ships discharging at one time, - and the foreman has "selectors" who are familiar with marks and piling.

The broker's selectors do a variable amount of work. The porters either roll the barrels or haul them on electrically driven bogie-trucks to the selectors, who make selections, after which the porters pile the barrels. Boxed apples are dropped on the bogie-trucks by the ship's slings and are carried to the selectors who usually do their own piling as they make their selections from the trucks. Thus the selectors have a heavier job on their hands in handling boxed apples than barrels.



In the case of barreled apples the foreman taps on the head of a barrel and thereby determines whether it is tight or slack. As soon as discharging is completed he makes returns to the broker's office for cataloguing. It frequently occurs that apples are discharged, catalogued, sold and removed from the quay on the same day. In this respect Liverpool is a very fast point for handling.

There is little or no delay between discharge and sale. Cargoes are sometimes held over one sale day, but generally speaking apples are sold as fast as they arrive regardless of quantity. Very little stock is placed in cold storage to be held for periods of shorter supplies. This subject will be dealt with subsequently under a discussion on cold storage in British markets.

#### The Auction.

It is customary to select two samples for showing in the sales room when the lot is large, but in the case of small lots, only one sample is taken. Barrel samples are emptied out into a large basket for inspection at time of sale. Sales are made rapidly or lots are passed when in the opinion of the Auctioneer the bidding does not reach the value of the lots.

Liverpool sales are held Monday, Wednesday and Friday, starting at 10:30 a.m. and lasting until the sale is finished, with  $\frac{3}{4}$  hour intermission at 1:30 p.m. By a cooperative arrangement auction brokers sell by regular turn, - having the auction stand for 25 minutes their first turn, 20 minutes their second time up and 15 minutes the third. As Manchester is less than 40 miles distant sales days alternate, Manchester selling Tuesday and Thursday.

Both Manchester and Liverpool auctions are known as "closed auctions" and in this respect differ from any other auction in Great Britain. An auction buyers' association is maintained and only the members of the Association are admitted to the sales room. In Liverpool the buyers decide who shall belong to the Association. While this has caused some prejudice against the auction it does not mean that either of these auctions are closed to full competition, because many wholesale merchants who do not belong to the Associations make purchases at the auctions through members.

#### Liverpool Dealers and Functions Performed.

The buyers at the Liverpool sale are men who know fruit and usually are buying goodly quantities. Liverpool wholesalers have their own buyers attend the sale as do some wholesalers in cities in Northern and Midland England. Some of these buyers for the interior wholesalers are on a salary and reside in Liverpool. When a non-resident buyer cannot attend the sale personally and does not have such a resident employee, he either has a commission buyer act for him or has his buying done by a Liverpool wholesale house, paying them from 3d. (6¢) to 6d. (12¢) per package. This service includes inspection at the quay. When inspection is done after the sale, as is invariably the case, it involves rejection if the fruit does not come up to sample.





As soon as sale is made an order is issued to the buyer for delivery and when the Master Porter's men deliver the fruit upon such an order his duties are completed, although the broker's duties are not ended until full collection has been made.

The brokers charge a commission for their sales service, ranging from 3 per cent to 7 per cent, depending upon conditions, and in Liverpool make an additional deduction of 11d. (22¢) per box and 1s.5d. (34¢) per barrel, which includes the Master Porter's charge given above, the Dock and Town Dues (2d. (4¢) on boxes - 4d. (8¢) on barrels), Quay Rent if on the quay over 72 hours, the expense of dock superintendent and selectors, cataloguing, advertising sale, etc.

The wholesale merchant in Liverpool distributes largely to the country retail trade roundabout, and to Ireland. He maintains an auction buyer and a dock man, when his business warrants. With him, as with the wholesale merchant in points like Manchester and Birmingham, the port auction sales are popular. He usually prefers them to direct consignments because he buys only what he knows his trade will take. He invariably prefers it to buying f.o.b. in America. He knows what he is getting; he buys in open market with his competitors; he gets his supplies when he wants them and is in a position to make big turnovers at small margins. Wholesalers buying at the Liverpool sales aim at making a margin of 1/- (24¢) over purchase price.

The wholesale merchant removes the fruit from the quay without charge to broker or consignor. While some fruit moves direct from the quay to retail purchaser on previous order, it is the usual practice to have it move to the wholesale store first where assorted orders are filled.

In case the purchaser at auction is an out of town wholesale merchant it may move by truck or rail. If by rail the carrier usually carries the goods direct to the premises of the wholesaler at an inclusive charge.

### The Retail Trade.

The retail trade usually buys from the wholesale merchant by private treaty. Few retailers in Great Britain are big enough to buy at the auction sales such as those in Liverpool. Sales to retailers take place early in the morning, many retailers buying their day's supplies and taking them to their shops in a barrow before opening for the day's business.

Retailing takes the usual form from the "hawker" to the highly specialized fruit stores. There appears to have been an increase in the number of fruit store displays in Great Britain during the past three years. They do not compare, however, with the displays in an American fruit stand, though the variety of fruits is sometimes greater, including such fruits as the custard apple, mango and beautiful hothouse grapes.





Apples sell by the pound at retail with liberal margins. Boxed apples wholesaling at 17/- (\$4.08) usually sell at 7d. (14¢) and 8d. (16¢) per pound; those wholesaling at 15/- (\$3.60) sell at around 6d. (12¢) per pound, while those wholesaling at 13/- (\$3.12) bring 5d. (10¢) per pound. To sell freely to the poor people apples should be priced at from 3d. (6¢) to 4d. (8¢) per pound. Apples such as the small No. 2 York Imperials and Ben Davis do sell in the markets and on the barrows for 3d. (6¢) per pound and thereby give the retailer something better than a \$3.00 per barrel margin.

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